



January 8, 2024

The Honorable Shelley Moore Capito  
United States Senate  
Washington, DC 20510-4805

Dear Senator Capito:

This responds to your December 6, 2023, letter to Postmaster General Louis DeJoy regarding the Mail Processing Facility Review (MPFR) for the Charleston Processing and Distribution Center (P&DC).

Thank you for the opportunity to discuss the exciting and positive investments we propose to make at the Charleston facility. We appreciate being able to provide more details about our plans to improve our service for West Virginians and for all our customers.

The U.S. Postal Service provides a vital service to its customers in West Virginia and across the nation and does so solely through the sales of its products and services, not through taxpayer dollars. As you know, the Postal Service has been contending with a broken business model better suited to the year 2000, when letter mail volume was more abundant than it is today, and that volume continues to decline. We must now turn around from an obsolete, illogical, and inefficient processing network and from a regulatory scheme seemingly intent on preventing any progress or prospect for success.

To finally overcome these obstacles, the Postal Service formulated and is implementing the Delivering for America (DFA) plan, the details and progress of which have been previously shared with your staff and which are available at <https://about.usps.com/what/strategic-plans/delivering-for-america/>. This turn-around plan is a 10-year, \$40 billion strategic effort to revitalize the Postal Service and allow it to meet the service expectations of our current and future customers, achieve financial stability, and bring this essential national institution into the 21<sup>st</sup> century. For the last 15 years, clear and evident deficiencies were ignored and now the task must be to provide the American people with a modern logistics service that is dependable and effective.

The DFA is grounded in a solid and optimistic business strategy. The Postal Service's greatest strength is that we deliver everywhere, six days a week, and the DFA is designed around this fact. It leverages our integrated mail and package delivery capabilities and six-day delivery so that we can increase revenue while simultaneously allowing billions in cost savings by eliminating unneeded or outmoded practices. The codification of the integrated network in the 2022 Postal Service Reform Act acknowledged the inherent soundness of this approach. The network improvements we are implementing, like those we are discussing in West Virginia, make it logical and cost efficient.

### **The Charleston Processing and Distribution Center is Not Closing**

Importantly, I would like to dispel any misconception that this MPFR will result in the closure of the Charleston facility or any career employee layoffs. In every reasonable scenario, the facilities will continue to be needed network nodes delivering mail and packages for the state. In truth, MPFRs will examine how to best rationalize and improve the processing of mail and packages and how to better connect that process to the national network. Depending on the MPFR results, some mail processing functions may be consolidated to other facilities that are better suited for a given task, but it is important to note that opposing any and all consolidations within the state of West Virginia would consign our customers there to deteriorating service provided by an obsolete network.

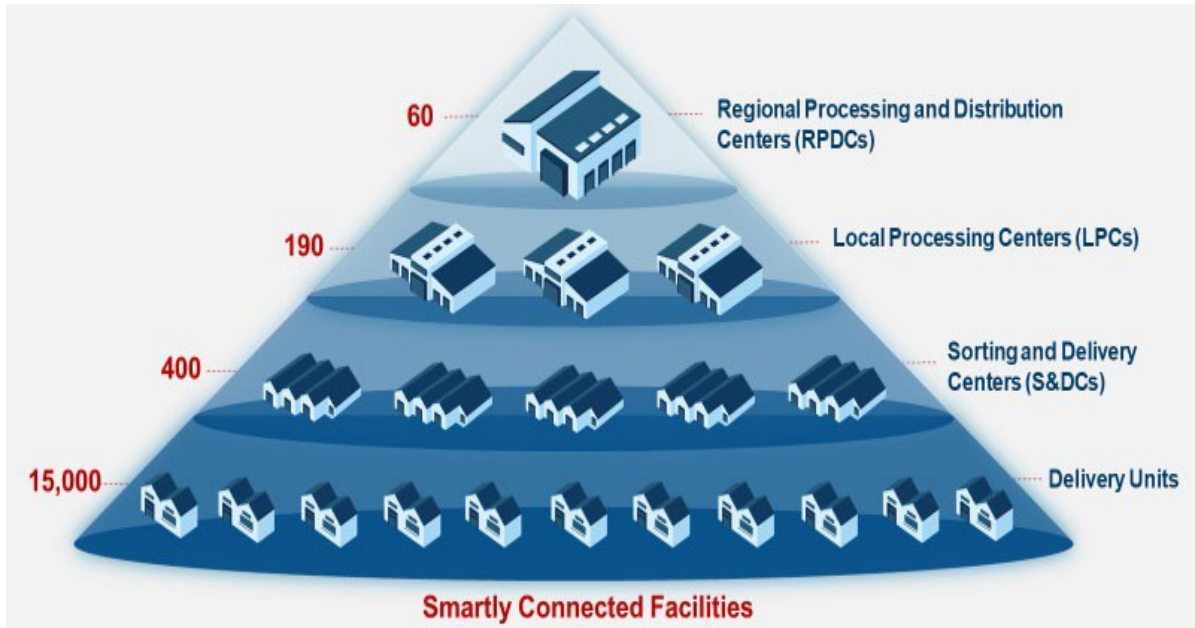
### **Addressing an Outmoded Delivery Network**

Nationally, the Postal Service's legacy processing network is outdated and relies on inefficient facilities that were located and constructed on an ad-hoc basis to meet operational needs that changed years or decades ago. Nevertheless, these facilities and their obsolete operating plans were allowed to persist, and without modernization, the result would be steadily degrading service and a Postal Service that is incapable of addressing the needs of the current operational and market reality. To address this challenge, DFA is making strategic investments of \$7.6 billion to establish a modern network of new or improved facilities. When complete, this network will enable an operational model that is logical and uniform and can provide the reliable and precise service that is essential for modern logistics.

### **Regional Processing and Distribution Centers Take a Modern Approach and Utilize Local Processing Centers**

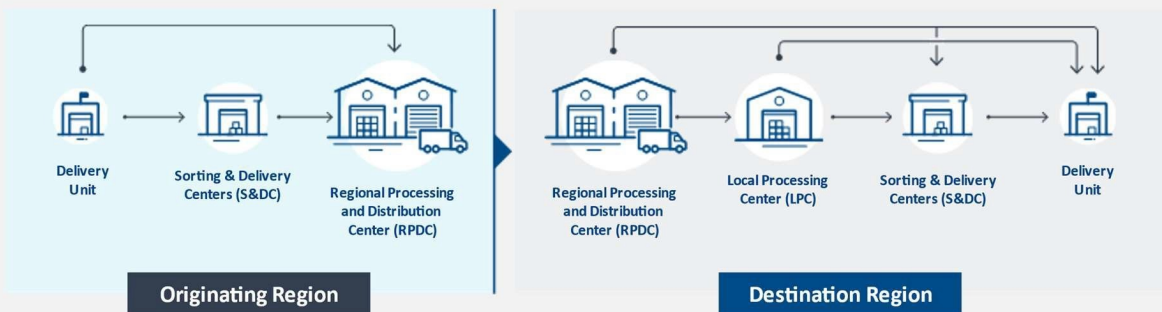
As part of the new processing network, the Postal Service is inaugurating Regional Processing and Distribution Centers (RPDCs), which are large facilities that act as central nodes for a given region. Utilizing modern equipment and economies of scale, these facilities will process all mail and packages for an area, and they will serve as the transportation conduits that connect regional transportation to the national network. RPDCs will support and be supported by Local Processing Centers (LPCs), which will process primarily destinating mail and serve as an aggregation point for destinating volume (i.e., product that is headed out for delivery). Generally, LPCs will be created by repurposing existing sites. In the legacy network, a P&DC may have a variety of processing functions with no standardization or rational design across the network. Instead, P&DCs have taken on various functions—or are lacking certain functions—based on ad-hoc historical decisions. Rationalizing where processing work is done is critical, and it will ensure that each facility is performing a necessary role, and performing it well, to increase overall efficiency.

The below graphics may help illustrate our modern network realignment, how these new or transformed facilities will fit together, and the benefits they will bring.



## The Future Network Flow: End -to-End Model

Since the DFA Plan launched, we have committed nearly \$7.6 billion of the Plan's \$40 billion in self-funded investments to create our new network.



**REDUCE** COST • **ON-TIME** DELIVERY • **SHORTEN** SERVICE STANDARDS  
**OPTIMIZE** RESOURCE & PROCESS YIELD • **ENERGIZE** EMPLOYEES • **EXPAND** USPS CONNECT REACH  
**ENHANCE** PRODUCT OFFERINGS • **CAPTURE** GREATER SHARE OF 1-2 DAY MARKET

### **West Virginia Is at the Forefront of Network Transformation, Drawing on a Transparent Process**

Consistent with these objectives, West Virginia may be among the first places to benefit from the DFA's processing modernization. For the average West Virginia postal customer, these proposed processing changes will go unnoticed, but what customers will notice is increasing reliability and more dependable service. The implementation of the DFA will enable the Postal Service to meet our service standards for all customers, including those in rural areas, more frequently than we have in the past. Businesses in the region will enjoy better and more efficient customer reach locally, regionally, and nationally.

To ensure that DFA processing modernization is properly understood and that any potential improvements receive proper consideration, the Postal Service is utilizing the MPFR process when applicable. The MPFR assesses a facility's capacity to meet operational goals and evaluates whether efficiency could be increased by transferring processing operations currently performed at a particular processing center to an RPDC.

Importantly, MPFRs allow for transparency while protecting proprietary, business-sensitive information. The process requires the solicitation and consideration of public comment, whether submitted in writing or provided at the public meeting on the proposal. Specifically, during an MPFR, the Postal Service provides the public and stakeholders with notice of the intent to undertake an MPFR analysis of a site; schedules public meetings to receive input from stakeholders; and provides a website for stakeholders to provide written comments. After considering the collected comments, a final decision on the approval or disapproval of a specific MPFR proposal will be made. Stakeholders include affected employees, employee organizations, officials at various levels of government, local mailers, community organizations, and the media.

### **Making Facility Investments for our Employees**

Finally, in addition to modernizing our operational design, DFA facility investments will address poor working environments for our employees that should have been dealt with years ago. Just like it has made do with obsolete processing plants, the Postal Service has deferred maintenance on its facilities and equipment for far too long. Compared with equivalent private-sector competitors, too many of our facilities are in poor condition and lack resources that are considered bare minimums in a modern work facility. As we construct RPDCs and repurpose facilities into LPCs, for instance, we are providing our employees updated and modernized workplaces. Redesigning workrooms, installing new equipment, retiring unneeded equipment, and improving the physical conditions of our facilities will improve employee satisfaction and make it easier for them to work to their highest potential. This is part of our commitment to a stable and empowered workforce, and already we have seen a reduction in pre-career workforce turnover by 50 percent and the conversion of 150,000 pre-career employees to full-time career status since October 2020. Please be assured that any reduction in positions and placement of impacted employees will be made in accordance with the respective collective bargaining agreement.

Through the DFA plan, we are undertaking a vital modernization of our long-neglected infrastructure and network that will provide our employees with state-of-the-art workplaces, enabling them to provide exceptional service to the American people. We are also making progress toward ensuring the long-term financial health of the Postal Service and fulfilling our mission to provide timely, reliable, secure, and affordable delivery of mail and packages to the more than 165 million addresses we serve six days a week.

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I hope this information is helpful and alleviates your concerns. Please let me know if I can assist with any other postal matters.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael J. Gordon". The signature is fluid and cursive, with the first name "Michael" being the most prominent part.

Michael J. Gordon  
Director, Government Liaison